



SOUTH MED SOCIAL DIALOGUE

The economic, social and legislative basis of social dialogue in Palestine



Project funded by the
EUROPEAN UNION



ITUC CSI IGB



الاتحاد العربي للتقابات
ARAB TRADE UNION CONFEDERATION



Union of Mediterranean Confederations of Enterprises



annd

South MED Network for Development
شبكة للتعاون بين مؤسسات التنمية



**Co-funded by
the European Union**

This publication has been produced with the financial assistance of the European Union. The contents of this document are the sole responsibility of the SOLID secretariat and can under no circumstances be regarded as reflecting the position of the European Union or the Programme management structure.



SOUTH MED SOCIAL DIALOGUE

**The economic, social and legislative basis
of social dialogue in Palestine**

Table of Contents:

Introduction	5
---------------------	---

Chapter One: 6

The Palestinian economic and social context

1. Characteristics of the Palestinian economy	7
2. Occupation and political division as barriers to economic growth	8
3. The specificities of the labour market	9
4. The expansion of the informal economy	10
5. Conclusion: an economic and social situation that hinders the flexibility of social dialogue and collective bargaining	11

Chapter Two: 12

The legislative framework for collective bargaining in Palestine

1. The International Labour Organisation's conventions and recommendations on social dialogue	13
2. The status of Palestine in relation to ILO conventions	13
3. National laws regulating freedom of association and collective bargaining	14
4. Palestine's ranking in the International Trade Union Confederation's index of violations	20
5. Conclusion: A legislative framework conducive to collective bargaining	21

Chapter Three: 22

History of social dialogue and collective bargaining in Palestine

1. The National Employment Strategy 2010: the beginning of the establishment of the principle of participatory and social dialogue	23
2. The National Employment Strategy 2021-2025: formation of tripartite reform commissions	23
3. First national conference on social dialogue: March 2021	23
4. The sectoral strategy for workers 2021-2023: two years to institutionalise central and local social dialogue	25
5. Conclusion: serious steps towards sustainability and institutionalisation of social dialogue	26

Introduction:

The United Nations General Assembly resolution 67/19, adopted in 2012 and granting “Palestine the status of a non-member observer state to the United Nations”, provided an important political impetus to build state institutions and establish social and economic development in Palestine.

This decision, however, soon came up against fundamental obstacles caused by the occupation’s policies of economic and financial domination, annexations, violations, and forced displacement.

Despite this situation, the Palestinian Authority has been able to fulfil many of its financial, moral and functional obligations to various sectors and groups. The Authority’s efforts have focused on establishing legal and institutional frameworks to facilitate the investment and business environment and to promote the labour market.

However, the fragmented state of the Palestinian economy as a result of the occupation remains a major challenge that requires the unification of peace negotiations and negotiations for Palestinian economic independence, as we cannot, under any circumstances, talk about the possibility of developing equal economic relations between two entities while one of them occupies the other and stifles its economy to ensure its submission.

The occupation has not prevented the Palestinian Authority and the various components of Palestinian society from making important advances in the legislation regulating the economy. These advances represent a subject that must necessarily be studied and evaluated in order to be able to propose the necessary accompaniments.

The successes achieved in relation to social affairs and labour legislation in Palestine have encouraged the “Social Dialogue in the Southern Mediterranean” programme, in its second edition, to include Palestine among the beneficiary countries of the programme, as it offers a favourable ground to promote the social dialogue approach in this country.

This study will attempt to decipher this foundation in its economic, social and legislative aspects, and to assess its prospects for success in consolidating the principles of a comprehensive and sustainable social dialogue in Palestine.

Chapter One:

The Palestinian economic and social context

1. Characteristics of the Palestinian economy:

When we refer to the economy of the Palestinian territories, we are referring to the economy of the territories under the control of the Palestinian Authority administration in the West Bank and Gaza Strip. This is an economy that is largely dependent on the Israeli economy and policies.

The agricultural sector:

A mainstay of the Palestinian economy, the agricultural sector employs 13.4% of the population with a cultivated area of 183,000 hectares, half of which is used for olive production. Olive cultivation accounts for the largest share of income in the agricultural sector.

Ministry of Agriculture, the country is divided into five agro-environmental regions.

The industrial sector:

The industrial sector contributes 13.1% to Palestinian GDP. Based on primary industries (stone and marble extraction in the regions of Nablus, Ramallah, and Hebron), this sector represents 12% of industrial activity in Palestine according to official data. Other activities concern the extraction of certain minerals such as asphalt and phosphate sludge west of the Dead Sea, glassy sand in Hebron, Ramallah and Nablus, and sulphur in the Gaza Strip. Other industries include textiles, shoemaking, ceramics, pottery, olive wood, coloured glass, soap making, leather tanning, embroidery and bamboo. Agro-industry is also important in Pa-



The agricultural sector is also an important pillar of Palestinian exports, notably medicinal plants, citrus fruits, spices and fruits. Roses and strawberries are among the leading Palestinian exports, especially to EU countries, where they are increasingly in demand. According to the Palestinian

Ministry of Agriculture, the country is divided into five agro-environmental regions. It includes the manufacture of sweets, dairy products, processed meats, beverages, grain products, canned foods, oils and animal feeds. The food sector accounts for about 24% of the total industrial sector, which is equivalent to about \$400 mil-

lion, and employs about 16.8% of the total size of the workforce in the Palestinian market.

The services sector:

The services sector in Palestine has grown remarkably over the past decade. However, its contribution to GDP has fallen to 20.5% of GDP in 2020 due to the closures caused by the pandemic.

Foreign aid:

The Palestinian economy is heavily dependent on foreign aid as one of the main sources of income. It comes mainly from Arab countries, European Union (EU) states and the United States. Remittances from Palestinian workers abroad and in the Occupied Territories are also a mainstay of the Palestinian economy.

2. Occupation and political division as barriers to economic growth:

The impact of occupation and colonisation on the economy:

Due to the restrictions imposed by the Israeli occupation since 1967, the Palestinian economy has struggled to develop and achieve stability.

The quarter-century-long peace process has not helped to ease the restrictions on economic development in Palestine, whose natural resources are still controlled by the occupation, which also restricts the movement of workers and goods and limits monetary policies.

In its report of 14 September 2020, the United Nations Economic and Social Council expressed “deep concern about the severe impact of the wall built by Israel on the economic and social conditions of the Palestinian people”. The Council added that the

construction of the wall “violates the economic and social rights of the Palestinian people, including their right to work, health, education, property, a decent life and freedom of access and movement”.

The restrictions imposed by the colonisation have greatly impacted the Palestinian economy as confirmed by an International Labour Organisation (ILO) report entitled “The impact of the Covid-19 pandemic on the labour market in the Occupied Palestinian Territories” published in September 2020. The report found that the production base of the Palestinian economy has been shaken, resulting in a dramatic change in the structure of GDP with a marked reduction in the contributions of the agriculture, construction and industry sectors in recent years. From around 12% in 1994, the contribution of the agricultural sector to GDP has fallen to 7% in 2018. The contribution of the industrial sector has also declined over the same period, from 22% to 13%. Inadequacies in the production base and lack of investment in the Palestinian economy are further reflected in the slight decline in the contribution of the construction sector to GDP, from 6% in 1994 to 3.5% in 2018. In contrast, the contribution of the services and public administration sector increased from 60% in 1994 to 5.74% in 2018, according to the Palestinian Central Bureau of Statistics figures for 2019.

Settlement policy is one of the most important new obstacles to the Palestinian economy. The settlements have impeded the movement of people and goods and fragmented intra-Palestinian interests and trade. The occupation has also altered the Palestinian economic fabric and weakened the agricultural sector as the mainstay of the economy. A large proportion of farmers have moved into other profes-



sions after their land was seized and confiscated.

Settlement has also led to organisational, administrative and municipal duplication due to the transfer of part of the Palestinian land to Israeli laws and administrative regulations, which has doubled the state of dependency, especially in the construction sector in the settlements.

Political division, economic division:

Since 2007, the Palestinian economy as a whole has suffered a severe crisis as a result of the Palestinian division, while Israel has imposed a blockade on the Gaza Strip, closing crossings, preventing the arrival of many commodities and blocking exports of industrial and agricultural products. Until 2018, the economy was still suffering from the blockade policy imposed by Israel on the Gaza Strip, while experts estimate that the cost of the division and blockade in ten years (2007-2017) amounted to about \$15 billion. The blockade has become a reality and has led to a strong dependence of the Gaza Strip's economy on Egypt.

3. The specificities of the Labour market:

The Palestinian Central Bureau of Statistics released the results of a survey on the Palestinian labour market for the first quarter of 2021 which indicate:

The number of workers decreased by about one thousand workers in the first quarter of 2021

The number of workers (excluding workers abroad) decreased from 599,000 workers in the fourth quarter of 2020 to 994,000 in the first quarter of 2021, a decrease of about 1%. In the West Bank, it decreased by almost 3.5% compared to the fourth quarter of 2020, while it increased in the Gaza Strip by 11.6% over the same period.

An increase in the number of workers in the local market between Q4 2020 and Q1 2021

The number of workers in the local market increased from 853,000 workers in the fourth quarter of 2020 to 856,000 workers in the first quarter of 2021. In the Gaza Strip, this number increased by 11.6%, while it decreased by 3.5% for the same period in the West Bank.

The results showed that the increase in the number of workers in the local market in the first quarter of 2021, compared to the fourth quarter of 2020, was due to the increase in the number of workers in the trade, restaurant and hotel sectors, followed by building and construction activity, and then agricultural activity, transport and storage, while other service and industrial activities experienced a significant decrease in the number of workers during the same period.

A decrease in the number of workers in the Occupied Territories and settlements of about 4,000 workers between the fourth quarter of 2020 and the first quarter of 2021.

The number of workers in Israel and the settlements fell from around 142,000 workers in the fourth quarter of 2020 to around 138,000 workers in the first quarter of 2021, with the largest decrease of 3,000 workers in the industrial sector, followed by trade, restaurants, hotels and construction activity with a thousand fewer wor-

kers. The number of workers in the service sector, however, increased by one thousand workers, while the number of workers in Israeli settlements increased from 20,000 workers in the fourth quarter of 2020 to 21,000 workers in the first quarter of 2021. The average daily wage of workers in Israel and the settlements increased between the fourth quarter of 2020 and the first quarter of 2021, from around 261 shekels to 264 shekels.

About half of private sector employees work without an employment contract. 51% of private sector employees work without an employment contract, while 32% receive a contribution to the financing of retirement/end-of-service benefits. In contrast, more than half of private sector employees (59%) are entitled to paid maternity leave.

29% of private sector employees receive a monthly salary below the minimum wage (1450 shekels).

The percentage of private sector employees receiving a monthly income below the minimum wage in the West Bank increased slightly between the fourth quarters of 2020 and the first quarters of 2021, from around 6% to 7% (from 17,000 to 18,000), and in the Gaza Strip as well, where it increased from 79% to around 81% (from 68,000 to 85,000) during the same period. The minimum wage in the Gaza Strip is 655 shekels and 1,114 shekels in the West Bank.

Unemployment:

The unemployment rate among the labour force (15 years and older) was about 26% in the second quarter of 2021, while the labour shortage was about 34%, according to ILO standards (ICLS-19th).



The number of unemployed persons reached 366,000 in the second quarter of 2021, of which 212,000 were in the Gaza Strip and about 154,000 in the West Bank. There is still a large disparity in the unemployment rate between the West Bank and the Gaza Strip, with 45% in the Gaza Strip compared to 17% in the West Bank. The unemployment rate for men in Palestine reached 23% compared to 42% for women.

4. The expansion of the informal economy:

As in most Arab countries, there are no up-to-date statistics or indicators to assess the extent of the expansion of the informal economy in Palestine, as the last survey conducted by the Palestinian Central Bureau of Statistics was in 2008.

Based on the above-mentioned survey, the number of informal sector projects in Palestine amounted to approximately 90,607 projects, employing a total of 191,917 people, or an average of 1.2 people per project. The unorganised sector projects are divided into:

- Informal projects in agricultural activity constitute about 8.22% of the total informal activities but employ more than 40% of the total workers in the sector, or an average of 8.3 individuals per project.

- Domestic trade activities constitute about 7.42% of the total informal sector projects, but employ only about 0.30% of the total workers in the sector, or an average of 5.1 persons per project.

- Informal industrial projects and yards account for 6.19% of total informal projects and employ about 8.19% of workers in the sector, or 1.2 persons per project.

- The volume of informal projects in the transport and services sector represents 8.14% of total informal activities, employing 6.9% of total workers in the informal economy, or 4.1 individuals per project.

5 **Conclusion** of the First Chapter:

The Palestinian economic and social situation hinders the flexibility of social dialogue and collective bargaining

The occupation constitutes one of the most serious obstacles to economic and social development and the establishment of the rule of law for the Palestinian Authority. These dilemmas will be an obstacle to the development of social dialogue in its central, local or sectoral dimension for the following reasons:

of the Gaza Strip prevent the establishment of a national social dialogue.

- The desertification of entire sectors, including the agricultural sector, due to forced displacement.
- The instability of the labour market due to the thousands of workers who are forced to work in the Occupied Territories.

- The complexities of the dual local and regional administrative subordination between the occupation authorities and the Palestinian Authority.
- The referral of a number of Palestinian localities to Israeli administrative systems.
- The political division and the blockade

Chapter Two:

The legislative framework
for collective bargaining in
Palestine

1. The International Labour Organisation's conventions and recommendations on social dialogue:

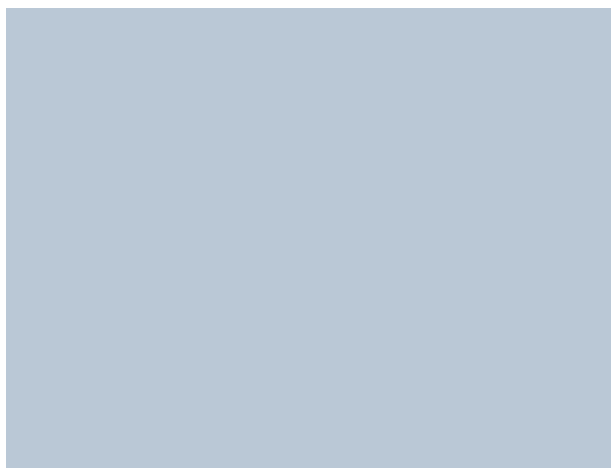
- The Universal Declaration of Human Rights: Articles 20 and 23
- Protection of the Right to Organise. Convention, 1948 (No. 87)
- The Right to Organise and Collective Bargaining Convention, 1949 (No. 98)
- The Tripartite Consultation (International Labour Standards) 1976, (Convention No. 144)
- The Collective Bargaining Convention, 1981 (No. 154)
- The Workers' Representatives Convention, 1971 (No. 135)
- The Rural Workers' Organisations Convention, 1975 (No. 141)
- The Labour Relations (Public Service) Convention, 1978 (No. 151)
- The Collective Agreements Recommendation, 1951 (No. 91)
- The Voluntary Conciliation and Arbitration Recommendation, 1951 (No. 92)
- Co-operation at the Level of the Undertaking Recommendation, 1952 (No. 94)
- Consultation (Industrial and National Levels) Recommendation, 1960 (No. 113)
- Communications within the

Undertaking Recommendation, 1967 (No. 129)

- Examination of Grievances Recommendation, 1967 (No. 130)
- The Workers' Representatives Recommendation, 1971 (No. 143)
- The Rural Workers' Organisations Recommendation, 1975 (No. 149)
- The Tripartite Consultation (Activities of the International Labour Organisation) Recommendation, 1976 (No. 152)
- The Labour Relations (Public Service) Recommendation, 1978 (No. 159)
- The Collective Bargaining Recommendation, 1981 (No. 163)

2. The status of Palestine in relation to ILO conventions:

As an observer member of the ILO, Palestine cannot ratify international labour conventions.



3. National laws regulating freedom of association and collective bargaining:

Labour Code:

articles protecting the right to organise and bargain collectively and others requiring revision:

The Palestinian Labour Code is, in sum, fairly harmonised with the Freedom of Association and Protection of the Right to Organise Convention (No. 87) and the Right to Organise and Collective Bargaining Convention (No. 98). The articles of Chapter 4 of the Labour Code, dealing with labour relations, are clearly inspired by these conventions. Other articles, however, require clarification so that they are not interpreted in a way that obstructs collective bargaining and the right to strike:



Title II: Employment, training and vocational guidance

Chapter I: Employment

Article	Commentary
Article 7: 1-The Council of Ministers forms a tripartite consultative committee chaired by the Minister of Labour and composed of an equal number of the three parties of production (government, employers and workers). 2- The decision to establish this committee determines its working regime and the number of its members. 3- The committee's chairman may invite any person he or she deems appropriate to give an opinion on the issues under consideration.	This article can be used as a basis for broadening the areas of work of the tripartite consultative committee and not limiting its dialogues to employment, training and vocational guidance. Structurally, this committee could represent an institution of social dialogue in Palestine.

Title IV: Labour Relations

Chapter I: Collective bargaining

Article	Commentary
Article 49: Definition of collective bargaining Collective bargaining is the dialogue that takes place between a trade union, or representatives of workers, and the employer, or employers, or their representatives, with the aim of resolving a collective dispute, improving working conditions or increasing productive efficiency.	This text is compatible with the concept of collective bargaining under International Labour Convention 98 and ILO Recommendation 91.
Article 50: Freedom to bargain Collective bargaining shall take place freely and without pressure or influence.	Article consistent with International Labour Convention 154 on collective bargaining.
Article 51: Appointment of representatives Each of the parties to collective bargaining shall have the right to appoint, in writing, its representatives. None of the other parties shall have the right to object.	Article compatible with International Labour Convention 87, Convention 98 and Convention 154.
Article 52: Access to information and data At the request of any of the parties to collective bargaining, the competent authorities shall provide the information and data required.	Article compatible with the concept of collective bargaining under International Labour Convention 98 and ILO Recommendation 91.
Article 53: The parties to the negotiation Collective bargaining shall take place: 1- At the level of the establishment between the employer or the management of the establishment and the representatives of the workers in the establishment. 2- At the level of a given economic sector, between the representatives of the employers of that activity and the trade union concerned. 3- At national level, between the employers' federation and the trade union federation.	Article compatible with ILO Convention 98, Convention 154 and Recommendation 91.

Title IV: Labour Relations

Chapter II: Collective labour agreement

Article	Commentary
Article 54: Definition of a collective labour agreement. A collective labour agreement is an agreement drafted in Arabic and concluded by the two parties to collective bargaining. It includes provisions relating to the improvement of working conditions and the increase of productive efficiency.	Article compatible with International Labour Convention 154 and ILO Recommendation 91.
Article 55: Binding nature of the collective agreement The collective labour agreement shall be enforceable from the date indicated therein. A copy shall be given to each of the parties and another shall be deposited with the supervisory ministry.	Article compatible with ILO Convention 98, Convention 154 and Recommendation 91.
Article 56: Duration of the collective labour agreement. The duration of the collective labour agreement is three years and collective bargaining shall take place at the request of one of the working parties three months before its end. The agreement remains valid until a new agreement is reached. Both production parties can agree to open the door to negotiation if necessary.	Article compatible with International Labour Convention 154 and ILO Recommendation 91.
Article 57: Minimum requirements for a collective labour agreement. According to the provisions of this law, the collective labour agreement shall include, as a minimum, the following elements: 1- Freedom to exercise trade union work. 2- The minimum wage applied to all trades. 3- Conditions of employment of workers and their dismissal. 4- A bilateral committee to resolve any disputes arising from the implementation of the agreement.	Although this article is compatible with the international labour conventions on collective labour agreement and collective bargaining, its fourth point is in total contradiction with Article 55 concerning the binding nature of the collective agreement and with Article 59 concerning the control of the proper implementation of the agreement by the Ministry of Labour. The formation of a bilateral committee to resolve any disputes arising from the implementation of the agreement is in itself a form of renegotiation of a concluded agreement. Point 4 may present an obstacle to the feasibility of collective bargaining.

Article 58:

Categories covered by the collective labour agreement.

1- The provisions of the collective labour agreement apply to

a) All employees of an enterprise.

b) Employers and their representatives.

2- Parties not covered by the collective labour agreement have the right to join it on the basis of a written agreement submitted to the Ministry.

Article compatible with International Labour Convention 154 and ILO Recommendation 91.

Article 59:

Issuing instructions

The Minister shall issue the necessary instructions for the application of the collective labour agreement.

Article compatible with International Labour Convention 154 and ILO Recommendation 91.

Title IV: Labour relations

Chapter III: Settlement of collective labour disputes

Article

Commentary

Article 61:

Recourse to a mediator

Each party to a collective labour dispute has the right to have recourse to a conciliation officer at the Ministry if no internal settlement is possible.

This article does not specify the number of negotiation sessions that precede the use of a mediator. However, the time factor is important in labour relations. The average of 3 sessions is most frequently used in other legislation, in terms of gradation, mediation, reconciliation and arbitration. The assignment of a Ministry representative for reconciliation requires clarification in terms of jurisdiction over labour disputes.

Article 62:

Referral of the dispute to the conciliation commission

If the mediator fails to settle the dispute within ten days, the Minister shall refer the matter to a conciliation commission composed of a representative of the Ministry as chairman and representatives of the workers and employers in equal numbers.

Article 62 repeats the same ambiguity contained in Article 61, since it requires the Ministry to conciliate at both levels without specifying the competences of the mediator. A conciliation centre should therefore be established within the Ministry or a mediator with specialised legal training in dispute resolution should be appointed.

Article 63:

Failure of the Conciliation Committee to settle the dispute

1. If the Conciliation Committee fails to resolve the dispute within two weeks, either party may refer the matter to the competent court.

2. If neither party has recourse to a court and the dispute is in the public interest, the Minister shall have the right to compel both parties to appear before an arbitration committee formed by the Ministry in coordination with the supervisory authorities, which are

A judge chairing the committee.

A representative of the Ministry.

A representative of the workers.

A representative of the employers.

Article 63 (2) does not specify a deadline for the completion of the Conciliation Committee's work.

Article 65:

Prohibition on changing existing working conditions

When considering collective disputes, the employer may not change the working conditions in force.

Article compatible with the settlement of collective labour disputes from an ILO perspective.

Title IV: Labour Relations

Chapter IV: Strike and closure

Article

Commentary

Article 66:

Right to strike

According to the provisions of this law, the right to strike is guaranteed to workers to defend their interests.

Article compatible with International Labour Convention No. 98 and Convention No. 135.

Article 67:

Provisions concerning strike or closure :

1- A written notice must be sent by the party concerned by the strike or closure to the other party and to the Min-

Point 3 of article 67 can be considered as a violation of the right to strike. The requirement that the notice must be signed by at least 51% of the number of employees in the establishment is in

istry two weeks before, explaining the reasons for the strike or closure.

2- The notice period is four weeks in public institutions.

3- In the case of a strike, the written notice must be signed by at least 51% of the number of employees in the institution, and in the case of closure, the same percentage must come from the institution's board of directors.

4- Strikes or closures are not permitted during the dispute settlement procedure.

5- The referral of the collective dispute by the competent authority shall result in the suspension of the strike or closure.

itself considered to be a challenge to the representativeness of the elected union.

There is also the question of the feasibility of this requirement in the case of multi-speciality establishments with a single union representation.



Trade union law:

political power determines the scope of trade union work and prevents trade union pluralism



Law No. 2/2013 on trade unions

Article	Commentary
Article 2: 1- The Council of Ministers shall determine by decree the professions, trades and businesses whose actors may form their own trade union. The Ministry responsible for each trade union shall be specified in the decree. 2- It is not permitted to form more than one trade union for the actors of the same profession, trade or commerce.	This article is in total contradiction with the text of International Convention No. 87, the Minister specifies the professions and trades in which trade union work can be carried out, and the second point of the same article denies the right to trade union pluralism.

4. Palestine’s Ranking in the International Trade Union Confederation’s Violations Index:

In its Global Rights Index 2020, the International Trade Union Confederation (ITUC) ranked Palestine 5+ in the ranking of countries where rights are not guaranteed due to the breakdown of the rule of law, implicitly referring to the impact of the occupation. Palestine was ranked 5+ along with Syria, Yemen and Libya, countries that are experiencing armed conflict and internal unrest, further underlining the insecurity that prevails in the country due to the occupation. In presenting the 5+ classification, the Index reminds us that for seven consecutive years the Middle East and North Africa region has been the worst region in the world for workers because of the ongoing insecurity and conflicts in Palestine, Syria, Yemen and Libya.

5

Conclusion

of the second Chapter:

A legislative framework favourable to collective bargaining

The Palestinian legislative framework is conducive to collective bargaining and social dialogue due to the following factors:

- The Palestinian legislator has based most of the articles of the Labour Code on the international labour conventions on collective bargaining, social dialogue and freedom of association.
- The level of contradiction of some of the articles with international labour conventions No. 87 and 98 is not alarming.
- The «National Employment Strategy 2021-2025» has made explicit commitments to reform the Labour Code and social dialogue legislation in the direction of greater openness and participation.

Chapter Three:

History of social dialogue and collective bargaining in Palestine

1. The National Employment Strategy 2010: beginning of the establishment of the principle of participatory and social dialogue

In cooperation with ILO consultants and in partnership with representatives of trade unions and employers' organizations, the Palestinian Authority has developed the "National Employment Strategy". Adopted in November 2010, the strategy states that coordination and cooperation between the government, employers' organizations and trade unions is essential for the success of economic and social development in Palestine.

The text explains that the partnership between the social parties should be based on mutual respect and understanding of different interests. It states that social partnership aims at creating mutual commitments and preventing disputes.

The Strategy formulated the objective of creating a national economic and social council with guaranteed representation of the social partners. This can be seen as an implicit recognition of the importance of social dialogue, the diversification of its frameworks and its contribution to the development of a social, participatory and fair economy.

2. The National Employment Strategy 2021-2025: formation of tripartite reform committees:

The PA National Employment Strategy 2021-2025 states that a "number of tripartite technical committees have been established to address key

aspects of reform, such as working conditions, occupational safety and health and labour inspection. With the support of the ILO, discussions and consultations between the two main partners are underway to harmonise the draft law with international labour standards. In addition, and at the request of the trade unions, the National Wage Commission is working on revising the level of the minimum wage, which has not been changed since 2012."

3. First National Social Dialogue Conference: March 2021

Entitled "Meeting the Challenges of the Labour Market", the First National Social Dialogue Conference was organised on 3 and 4 March 2021 in Ramallah with the participation of Palestinian social parties, in cooperation with the ILO.

The closing statement of the conference provided a solid foundation for an integrated framework for the consolidation of social dialogue in Palestine:

- **First:** to support the National Employment Strategy approved by the government as a framework for improving employment opportunities, increasing the participation of women and youth and creating more employment opportunities by strengthening the economy and building its resilience. It was therefore decided to form a committee to monitor the implementation of the Strategy and to hold the international donor conference.

- **Secondly:** continue the dialogue with all relevant parties to agree on the Social Security Act in accordance with the second clause of the Social Security Act Decree Law No. (4) of 2019



issued by the President. This states that “dialogue is ongoing between all parties concerned to reach a national consensus on the provisions of the law and the date of its entry into force”. The parties concerned agreed to launch a comprehensive dialogue to revise the social security law in cooperation with the ILO, through the formation of a national commission of the three production parties headed by the Ministry of Labour and with the participation of civil society institutions to lead the dialogue and listen to the opinions and observations of all parties, in a way that leads to the adoption of a nationally constructed law that reactivates the social security institution.

- **Thirdly**, to increase the minimum wage in Palestine from 1,450 to 1,880 shekels per month. This increase is to take effect at the beginning of 2022, according to the conditions agreed upon by the partners.

- **Fourth**: form a tripartite committee and develop an implementation plan to achieve the following priorities and include them in the decent work agenda by the end of 2021. The priorities are as follows:

- Review and amend the Labour Code, develop control mechanisms and enforce its provisions in workplaces.
- Approve a law organizing trade union work.
- Review and evaluate the Second Decent Work Programme in cooperation with the ILO.
- Develop mechanisms to strengthen sectoral dialogue to address labour market imbalances related to the coronavirus pandemic.
- The parties adopted the national vision on employment in the Green Line proposed by the Ministry of Labour. They call on the ILO and international bodies to monitor Israeli violations and conditions of Palestinian workers on the ground and to work towards the restoration of workers' rights on the Israeli side.

- Institutionalise social dialogue to influence economic, social and financial policies through a comprehensive national dialogue.

4. **The Sectoral Strategy for Workers 2021-2023: two years to institutionalize central and local social dialogue**

The Sectoral Strategy for Workers published by the Palestinian Ministry of Labour has identified a number of strategic objectives to be achieved by the end of 2023. Its fifth objective presents a roadmap that focuses on the institutionalization of social dialogue in its central and local forms as well as an estimate of the costs of this institutionalization.

The fifth strategic objective:

- Strengthen the capacities of the three partners to institutionalise all central and subsidiary tripartite commissions.
- Updating of laws and policies that regulate and facilitate the work of the tripartite partnership institutions.
- An efficient, modern and comprehensive set of services provided to citizens by the tripartite partnership institutions.
- Networking of Palestinian tripartite partnership institutions with Arab and international labour organisations and institutions.
- A conference on social dialogue to address the effects of the COVID-19 pandemic on the labour market. The strategy developed showed a close link between national policy interventions and the sustainable development goals.
- The implementation of this ambitious strategy requires assistance and cooperation between all social partners and other parties. This translates into funding

of up to USD 45 million. However, only US\$30 million is available. A fundraising effort must therefore be made.



5

Conclusion

of the third Chapter:

Concrete measures for the institutionalisation of a sustainable social dialogue

The economic crisis caused by the COVID-19 pandemic has contributed to a wider scope for national-level policy dialogue. The Palestinian Authority has taken the initiative to involve its social partners in the development of two basic documents, the Sectoral Employment Strategy 2021-2023 and the Employment Strategy and Plan 2022-2025. Both documents include:

- Explicit commitments to form central and local tripartite dialogue commissions.
- A formal commitment to institutionalise social dialogue.
- Establishment of a Palestinian Social and Economic Council.
- In the framework of international cooperation programmes in Palestine, the ILO accompanies all these commitments with a view to their realisation.

Recommendations for an inclusive and transparent social dialogue in Palestine:

Based on previous assessments of the economic and political situation and the legislative framework for collective bargaining and social dialogue in Palestine, the study makes the following recommendations for comprehensive and transparent social dialogue:

- Revise national legislation to harmonise it with international labour standards:

The Palestinian legislator has ensured that international conventions and treaties regulating labour relations are respected in the drafting of legislation. However, the Labour Code needs to be revised in order to improve some of the revised articles and to clarify their content as much as possible in order to avoid the shortcomings that have been raised in this study, especially with regard to articles 57, 61, 62, 63 and 67 of the Labour Code and article 2 of the Trade Union Law.

The Palestinian Constitution also reflects “good intentions” by recognising the right to organise and to strike as stipulated in Article 25 - trade union organisation is a right whose provisions are regulated by law, the right to strike is exercised within the limits of the law. It should be noted, however, that there are inconsistencies in the application of the law regulating strikes, which may allow judges to interpret it differently and thus condemn certain strike movements. The process of legislative reform will have to be carried out in a participatory manner through social consultation.

- Affirm the political will to build an inclusive and participatory social dialogue:

The government must translate its will to build an inclusive and participatory social dialogue by taking into account the needs of employers' and trade unions' organisations with the aim of improving the effectiveness and opportunities for implementing public policies by involving the social partners in the preparation of its decisions.

The government must translate this into the four responsibilities that the ILO has set for governments in the area of social dialogue:

a. Supporting: the government must establish an appropriate institutional and legislative framework for social dialogue and must ensure respect for the rule of law, freedom of association and the right to collective bargaining.

b. Promote: Under international labour standards, governments have a responsibility to promote social dialogue by taking appropriate measures for regular and effective consultations with the social partners.

c. Participate: as one of the three actors in the social dialogue process, the government must actively participate in consultations or negotiations on an equal footing with the social partners with a view to reaching consensual decisions.

d. Implementation: the government must ensure that the results of social dialogue are translated into concrete public policies and programmes. To this end, the government must put in place monitoring mechanisms capable of ensuring compliance with these agreements.

Strengthen the independence of labour inspectors and judges:

Efforts should be made to strengthen and modernise the labour inspection system to enable officials to carry out their duties free from any influence or arbitrary measures against them by enacting legislation that protects them.

The level of remuneration and career prospects of labour inspectors must also be adequate and consistent to ensure the consolidation of the three principles on which the work of the labour inspector is based:

1. Objectivity.
2. Respect for professional secrecy.
3. Respect for confidentiality with regard to complainants and verdicts.

The inspectors must also be provided with all the working tools necessary for the success of their missions, such as transport vehicles, databases and information on the workplaces concerned by the law. The judiciary must also be spared any influence or pressure that might be exerted against it in the adjudication of labour cases and disputes.

Guaranteeing the right to information and data exchange:

In accordance with the provisions of the ILO Recommendation (No. 163) concerning access to information by negotiating parties, public and private sector employers are obliged to provide their partners with all the required data and information.

Compliance with agreements reached:

All parties should respect the agreement reached by employers and workers in order to build trust between all parties and to ensure a good environment for maintaining production, competition and the spirit of ownership.



SOUTH MED SOCIAL DIALOGUE

**The economic, social and legislative basis
of social dialogue in Palestine**



SOLiD
SOUTH MED SOCIAL DIALOGUE

solidmed.eu

